

MUTALE MUNICIPALITY



***APPROVED 2013/2014 - 2015/2016
MEDIUM TERM REVENUE
&
EXPENDITURE FRAMEWORK***

1. Table of Content

No	Section Description	Page No	Annexure No
	Table of Content	1	
	PART 1 – ANNUAL BUDGET		
	Mayor’s Report (Budget Speech)	2-3	
	Resolutions	4-5	
	Executive summary	6-8	
	Annual budget tables	8	A and B
	PART 2 –SUPPORTING DOCUMENTATION		
	Overview of annual budget process	9-11	
	Overview of alignment of annual budget with Integrated Development Plan	12-16	
	Measurable performance objectives and indicators	16-20	
	Overview of budget-related policies	21	
	Overview of budget assumptions	22	
	Overview of budget funding	23-25	
	Expenditure on allocations and grant programmes	26-29	
	Councilor and board member allowances and employee benefits	30-34	
	Monthly targets for revenue, expenditure and cash flow	34-44	
	Annual budgets and service delivery and budget implementation plans- internal departments	45	C
	Contracts having future budgetary implications	46-47	
	Capital expenditure details	48-59	
	Legislation compliance status	60	
	Other supporting documents	61-73	D
	Municipal manager’s quality certification	74	
	Annexture A	75-95	
	Annexture B	96-141	
	Annexture C	142-177	
	Annexture D	178-181	

2. MAYOR'S REPORT

BUDGET SPEECH BY THE MAYOR OF MUTALE LOCAL MUNICIPALITY CLLR MUKWEVHO JOSEPHINA, AT MUTALE COUNCIL CHAMBER NO.30

30 MAY 2013

Honorable Speaker of the council, cllr Netshipise

Honorable chief whip, cllr Nekhunguni

All Exco members

All Councilors

Our Senior Traditional Leaders

Leaders of various Political parties

Fellow Mutale Residents

All officials

Ladies and gentlemen

Good Morning

As we gather here this morning, let me remind the house that 6 days ago on the 25 of May 2013, as Africans we were celebrating the AFRICA DAY.

Madam Speaker, I am humbled by the overwhelming support by our communities during the flood Disaster that hit heavily our Municipality from the 14 of January to 23 January this year.

It was the most difficult time the Municipality faced since its inception in 2000. One of our own children at Mutele B passed on due to that disaster.

Many roads and bridges were washed away, but our beloved communities spoke with one voice with us. I would like to thank them again and again; working together we can solve all the challenges that faced us.

We are indeed indebted to all those that have relentlessly ensured that we deliver on the mandate as a local Municipality, keeping up on our toes until we got this far,

Our Municipality over the past few years has gone through very challenging times on service delivery especially on the provision of electricity to almost 150 villages

But today ,we can proudly say that ,we have delivered ,now our main focus is on the extensions .We have achieved this because we have strong administrative systems with also very powerful public representatives , that is why we have overcome these difficulties SMOOTHLY AND WITH DIGNITY .

Madam Speaker and fellow councilors as you would be aware the fight against poverty remains the cornerstone of our government priority Mutale Municipality shall rest, and we dare not to falter, in our drive to eradicate poverty.

We at Mutale local Municipality are also aligning ourselves with the National, Provincial and the District Municipality Priorities .In pursuit of these goals; we identified five (5) key strategic objectives and priority areas through the integrated development plan (IDP).

These objectives are the followings:

- Job creation
- Local economic development
- Basic services delivery (access to water, sanitation, electricity, refuse removal and access roads)
- Financial management (clean audit by 2014, revenue enhancement and asset management
- Promote public participating.

Madam speaker, the National government budget is framed by five objectives that guide government's policy response to the global economic crisis over the medium term, which are as follows:

- Protecting the poor
- Sustaining employment growth and expanding training opportunities
- Building economic capacity and promoting investment
- Addressing the barriers to competitiveness that limits an equitable sharing of opportunities.
- Maintaining a sustainable debt level so that our actions today do not constrain our development tomorrow

We have also developed a budget that is aligned with National and Provincial initiatives to ensure optimal impact from the combined effort of the government.

2. Budget Resolutions

On 30 May 2013 the Council of Mutale municipality met in the Council Chamber of Mutale municipality to consider the annual budget of the municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

- 1 That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Mutale Municipality for the financial year 2013/14; and indicative allocations for the two projected outer years 2014/15 and 2015/16; and the multi-year and single year capital appropriations are tabled as set-out in the following tables:**
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source

- 2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:**
 - 2.1 Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash backed reserves and accumulated surplus reconciliation;
 - 2.4 Asset management; and
 - 2.5 Basic service delivery measurement.

- 3 That the consolidated budget that includes the financial impact of all municipal entities is noted.**

- 4 That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation**

services and property rates as set out in Budget Chapter 21 and annexure A respectively that were used to prepare the estimates of revenue by source, are tabled with effect from 1 July 2013.

- 5 That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) as set out in Budget Chapter 19 and Annexure A is tabled.
- 6 That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are tabled.
- 7 That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are tabled.
- 8 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 19 are approved for the budget year 2013/14.
- 9 That the Basic Services Package as set out in Budget Chapter 19 is approved for the budget year 2013/14.

NETSHIPISE LIVHUWANI HILDA
SPEAKER

DATE

2. Executive Summary

The budget has been compiled and funded in terms section 18 (1) of Municipal Finance Management Act. The results from consultative forums were considered and positively and taken.

The budget process plan was prepared and tabled to council and approved on 28 August 2012. On the 31 March 2013, the draft Integrated Development Plan, draft Budget, draft Organizational structure and draft tariff structure were tabled to council. Public Participation will be conducted during April 2013 in all thirteen wards.

The revenue sources to fund both operating and capital expenditure for 2013/2014 financial year are as follows

Grants and Subsidies	R 78 593 000 million
Accumulated Funds [own/other income]	R13 945 107million
External Borrowings	<u>R = nil</u>
Total Income Budget	R92 538 107million

The Capital budget for 2013/2014 financial year is R28 423 000 million

The operating budget for 2013/2014 is subdivided as follows:

Employee related costs	R 33 009 351 million
Councilors remuneration	R 6,886 108million
Repairs & Maintenance	R 6 364 150 million
General Expenditure	<u>R17 859 933million</u>
Total operating expenditure	R64 115 107 million

Municipal Tariffs have been generally increased by 5.5%.

Past financial performances for the past two years are indicated below:

REVENUE	2010/2011	2011/2012
Property rates	3 110 860	3 315 697
Service charges	193 131	224 660
Rental of facilities	70 183	63 705
Interest- income	350 277	1 538 243
License and permits	2 225 830	2 290 354
Fines	194 355	195 980
Grants	41 125 734	60 648 102
Other revenue	646 285	2 323 672
EXPENDITURE		
Employee related costs	22 248 564	25 157 386
Councilors allowance	5 231 388	6 417 235
Repairs and maintenance	2 811 998	2 168 159
General expenditure	6 267 362	9 734 470
NET SUPLUS/ DEFICIT	7 204 690	27 123 163

The priorities as outlined in the Integrated Development Plan are in line with the National, Provincial and District priorities covers (amongst others)

1. job creation
2. local economic development
3. basic service delivery (access to water, sanitation, electricity, refuse removal and municipal roads)
4. financial management (clean audit, revenue enhancement, asset management etc)
5. public participation

The Budgetary constraint that the municipality is facing is the extent of operational budget which exceeds the capital budget. The contributing factor is the salary budget which consumes bigger percentage of the whole budget. This is due to high staff component that is a result of transfer of staff from sector departments to local municipality. Furthermore National Treasury gives a minimal allocation in respect MIG which is solely utilized to implement capital projects. Whilst the municipality is having a bigger percentage of the budget being salaries (69%), annually there are salary increments which should be affected with low revenue base which the municipality have

This situation will continue until such time that the municipality has improved its revenue base and utilizes that improvement to implement capital projects.

In the year 2013/2014 A multi year project to tar Tshilamba streets will continue. A grader will be purchased. See supporting table SA36 for a (Summary of detailed Capital budget) for the years.

Tariff Policies

Municipality tariff policy provide a board framework within which the council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies approved on various dates and a consolidated tariff policy is envisaged to be complied for ease of administration and implementation for the next three years.

3.1 Annual budget tables

The budget tables are detailed in **annexure A**. It includes the following:

Number	Description
Table A1	Budget Summary
Table A2	Budgeted Financial Performance (revenue and expenditure by classification)
Table A3	Budgeted Financial Performance (revenue and expenditure by municipal vote)
Table A4	Budgeted Financial Table Performance(revenue and expenditure)
Table A5	Budgeted Capital Expenditure by vote, standard classification and funding
Table A6	Budgeted Financial Position
Table A7	Budgeted Cash Flows
Table A8	Cash backed reserves/accumulated surplus reconciliation
Table A9	Asset management
Table A10	Basic service delivery measurement

4. SUPPORTING DOCUMENTATION

The budget is accompanied by supporting documents in terms of section 17 (3) of the MFMA.

*See supporting tables SA1 –SA 37 in **annexture B***

4.1 Overview of annual budget process

The budget process plan was prepared and tabled to council on the 31 August 2012. The budget instructions were issued to head of departments in September 2012 for submission of the budget proposals to the Chief Financial Officer for consolidation. The IDP and budget public participation have been held on 28 April 2013 in all thirteen wards.

1. Political oversight of the budget process

The key to strengthening the link between priorities and Spending plans lies in enhancing political oversight of the budget process. Section 53(1) (a) of the MFMA states that the mayor of a municipality must provide political guidance over the budget process and the priorities that must guide the preparation of the budget.

The Mayoral Budget and Policy Monitoring Committee has a significant role to play in the financial planning process. Strengthening the link between Government's priorities and spending plans is not an end in itself, but the goal should be enhanced service delivery aimed at improving the quality of life for all the people within the Municipality.

Political oversight of the budget process is essential to ensure that:

- o The political executive is responsible for policy and prioritization

- o Policy priorities are linked to departmental spending Plans and the delivery of quality services.

Budgeting is primarily about the priorities and choices that the Municipality has to make in deciding how to meet the agreed set of policy objectives through better service delivery. Political oversight of the budget process allows Government and in particular the Municipality to Manage the tension between competing policy priorities and fiscal realities. The key to strengthening the linkage between priorities and departmental plans lies in enhancing political oversight of the IDP and Budget process. The Mayor, Mayoral Committee, Lekgotlas, and an extensive community consultation process play a leading role in guiding the alignment of resource allocations with national, provincial and local priorities.

2. Schedule of Key Deadlines relating to budget process (MFMA s 21[1][b])

The budget time schedule for the compilation of the draft 2012/13 MTREF was approved by Council on 31 August 2011

3. Process of tabling and approval of the draft budget in council for consultation

- o Tabling to council of draft 2013/2014 MTREF for community consultation purposes 31 March 2013

4. Consultation with stakeholders and outcomes

The draft 2013/2014 MTREF had been tabled before council on 31 March 2013 for community consultation and was made available on municipality's website and hard copies was made available at various Tribal Council offices.

All documents in the appropriate format (Electronic & Printed) were provided to Provincial Treasury in accordance with the MFMA, to give opportunity for their inputs.

Community consultation process took place on 28 April 2013

After consideration of all budget submission the Mayor was given opportunity to respond, if necessary revise the budget and table amendments for consideration.

5. Stakeholders involved in consultations

The stakeholders involved are organized businesses, churches, non-governmental institutions, community-based organizations and individual members of the public.

The budget is submitted to Provincial treasury, National treasury and COGSTA on 10 June 2013 for their consideration, in line with section 24 (3) of the MFMA.

5.1 Overview of alignment of budget with Integrated Development Plan

The programs and Projects that have been reflected in the Integrated Development Plan have been budgeted for. The positions reflected in the Organizational structure will all be filled in the budget year 2013/2014.

1. Vision

A developmental Municipality that ensures sustainable economic growth and equitable service delivery

2. Mission

“We strive to provide quality service & building local economy through information and knowledge building, strong partnerships in harmony with the natural environment.”

3. Core Values and Operating Principles

- Deliver on the mandate of the people of Mutale
 - Achieve state-led development through an effective Intergovernmental Relations System (IGR);
 - Drive integrated development
- Ensure transparency and accountability;
- Provide quality service delivery and implement Batho Pele;
- Build institutional capacity and achieve transformation;
- Develop strategic partnerships;
- Achieve people-centered development
- Use e-governance as a means to make government accessible to the people.

4. Integrated Development Plan

The Constitution of the Republic of South Africa (1996) commits Government to undertake the measures that will ensure that all South Africans have access to adequate housing, health care, education, food, water and social security.

Local Government has as duty to ensure that the abovementioned is achieved through the implementation of development policies and legislation that supports the developmental goals of South Africa

Integrated developmental planning in the South African context is amongst other an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

In 2000 the Municipal Systems Act 32 of 2000 (MSA) came into operation. According to Section 25(1) of the Act each municipal council must, after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which

- Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

5. The five- Year strategic objective Integrated Development Plan

This document comprises the five-year strategic plan and programme of action for the Mutale Municipality embarked on strategic and developmental processes to ensure that it fulfills its mandate and obligations as per the Constitution of South Africa, to

- Provide services in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Give priority to the basic needs of communities; and
- Encourage the involvement of communities in the matters of local government

6. Aligning budget priorities

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Mutale Municipality to align its budget priorities with that of National and provincial government. It is evident that all spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery and poverty alleviation and building sound institutional arrangements

NATIONAL PRIORITIES

- Efficient and effective public services
- Job creation
- Procurement reforms and fighting corruption

LIM342 Mutale - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

2013/14 Medium Term Revenue & Expenditure Framework															
Strategic Objective				Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
							Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand															
Financial viability				Good Financial Management		2	945	4,647		47,926	48,473		59,353	73,110	97,179
Basic Service delivery				Infrastructure & development	6,488		4,170		28,975	21,188		27,706	26,281	28,046	
Safety and security				Community services	2,820		2,469		5,100	3,076		4,111	4,320	4,532	
Good governance and public participation				Operation and support services	56,272		56,419		185	536		1,369	881	920	
Allocations to other priorities						2									
Total Revenue (excluding capital transfers and contributions)						1	66,526	67,705	–	82,185	73,274	–	92,538	104,593	130,677

LIM342 Mutale - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Financial viability	Good financial management	9,654	14,312		16,289	15,409		15,427	18,513	19,348
Basic service delivery	Provision of waste removal, roads maintenance, storm water drainages.	16,794	27,772		14,449	12,378		13,467	15,111	15,867
Plaqnning and development	Site demarcation, sale of sites and business approvals	–	922		1,704	2,034		2,368	3,642	3,798
Saftey and security	To reduce accident, to ensure the issuing of authentic and legal complaint driving license, to ensure roads safety	3,866	4,433		5,264	4,934		6,012	6,387	6,785
Intergrated and Local economic	Promotion of Local economic development	3,524	3,355		6,331	6,007		6,620	7,023	7,446
Good governance	Community involvement in budget participation, by-laws ,training ward committee and Councilors respond to AG report.	13,906	12,982		19,605	18,750		20,221	21,412	22,649
Allocations to other priorities										
Total Expenditure		47,744	63,775	–	63,642	59,511	–	64,115	72,088	75,892

LIM342 Mutale - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Provision of electricity	Infrastructure & Development	A	9,350	5,000		-					
Provide accessible roads	Provision of roads and storm water infrastructure	B	13,579	10,475		16,848	16,048		15,883	24,575	26,281
Compliance to roads safety, safe health and secure environment	Community services	C	1,450	150		400	195		8,155	2,555	545
Operations and support services	Good governance and Administration	D	-	160		1,295			4,385	5,270	16,170
		E									
Allocations to other priorities											
Total Capital Expenditure			24,379	15,785	-	18,543	16,243	-	28,423	32,400	42,996

5.2 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities.

In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance

Information, the municipality has developed and implemented a performance management system is constantly refined as the integrated planning

process unfolds. The Municipality targets, monitors, assess, and reviews organizational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple year is being considered; plans and budget for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during *the last stage*, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

Planning, budgeting and reporting cycle

The performance of Mutale municipality relates directly to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators and success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the

Framework of Managing Programme Performance Information issued by the National Treasury:

2.3.1. Performance indicators and benchmarks

2.3.1.1. Borrowing Management

Capital expenditure in local government can be funded by capital grants, own- source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its credit worthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2013/2014 MTREF:

- Borrowing to asset ratio is a measure of long-term borrowing as a percentage of total asset base of municipality.

- Borrowing funding of own expenditure measure the degree to which own capital expenditure (excluding grants and contribution) has been founded by way of borrowing.

2.3.1.2 Safety of Capital

- The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipal's assets.
- The gearing ratio is a measure of total long term borrowing over funds and reserves.

2.3.1.3 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities
- The liquidity ratio is a measure of ability of municipal to utilized cash and cash equivalent to extinguish or retire its current liabilities immediately.

2.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash flow.

2.3.2 Free Basic Services: basic social services package for indigent household

- The social package assists households that have difficulty paying for service and registered as indigent household in terms of the Indigent Policy of Mutale municipality.

.

[illegible]

Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))									
Creditors to Cash and Investments		20279.9%	2504.1%	-30104.0%	-11.0%	150.8%	150.8%	110.1%	40.2%	14.0%
Other Indicators										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated							0.0%	0.0%	0.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source							0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	49.2%	44.3%	44.4%	45.9%	47.5%	47.5%	48.0%	43.7%	35.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	91.2%	105.4%	45.0%	56.3%	67.3%	67.3%	58.0%	52.7%	43.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	23.7%	35.4%	0.0%	10.6%	11.8%	11.8%	9.2%	9.0%	7.2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	5.0%	4.6%	6.2%	5.4%	6.8%	6.8%	2.0%	2.2%	1.8%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.8	12.1	8.4	8.3	8.3	8.3	12.9	11.9	12.2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	754.1%	425.6%	118.1%	183.4%	259.8%	259.8%	140.0%	119.0%	98.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.0	0.2	(0.0)	(5.8)	0.5	0.6	1.5	3.2	7.2

5.3 Overview of budget-related policies

Review of supply chain management policy

The Property Rates Policy has been reviewed and approved on 31 May 2013.

There are no changes on other budget related policies:

- Supply Chain Management Policy
- Cash Management Policy
- Fixed Asset Policy
- Revenue management Policy
- Property Rates Policy
- Risk management policy
- Tariff policy
- Indigent policy
- Virement policy
- Budget policy
- Borrowing policy
- Funding and Reserve policy
- Capital Infrastructure Investment policy

5.4 Overview of budget assumptions

The growth rate used for the medium term budget and tariff increase is 5.5%

1. National priority- Expanding public sector investment in infrastructure

Domestically, after five years of strong growth, during which about five hundred jobs were created, we still intend to create five hundred more jobs.

2. Image of local government

There are 5 keys factors that have been taken into consideration in the compilation of the 2013/14 MTREF

3. Procurement reforms and fighting corruption

Our Supply Chain Management policy have been reviewed and approved by Council on 31 January 2013.

4. Taking the 2011 Local Government Budgets and Expenditure Review forward

The review highlights the following:

- Revenue management
- Collecting outstanding debts
- Pricing services correctly
- Under spending on repairs and maintenance
- Spending on non-priorities base assumption is that tariff and rating increases will increase at a rate slightly higher that CPI over long term

5. Local government equitable share formula review and 2011 Census

6. Impact of the new formula on our municipal budget

Our equitable share and Municipal Infrastructure Grant have increased.

7. Local government conditional grants and additional allocations to local government

8. Council oversight over the budget process

9. Regulation of SCOA for local government

10. Financial applications (systems) and the impact of SCOA

11. Management accounting and tariff setting

12. Municipal budget and benchmark engagements and timeframes for tabling MTREF'S

.

5.5 Overview of budget funding

The budget is funded by the following sources:

- Rates, tariffs and other charges
- Grant allocations

The table below illustrates the breakdown of operating revenue over the medium-term:

	2013/14 Medium Term Revenue & Expenditure Framework					
	Budget Year		Budget Year +1		Budget Year +2	
	2013/2014	%	2014/2015	%	2015/2016	%
-						
Property rates	4,000,000	6%	4,000,000	5%	4,000,000	4%
Service charges	1,026,000	1%	1,078,326	1%	1,131,164	1%
Investment revenue	1,546,609	2%	1,320,000	2%	1,320,000	1%
Transfers recognized-operational	54,810,000	80%	67,693,000	84%	91,757,000	87%
Other own revenue	7,372,498	11%	6,426,493	8%	6,687,491	6%
Total operating revenue (excluding capital transfers)	68,755,107	100%	80,517,819	100%	104,895,655	100%
Total operating expenditure	64,115,107		72,088,324		75,892,024	
Surplus/Deficit	4,640,000		8,429,495		29,003,630	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue solid waste removal, rental of properties, Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;

- Achievement of a 70 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.
The proposed tariff increases for the 2013/14 MTREF on the different revenue categories is 5.5%,

LIM342 Mutale - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1,									
-	2									
<u>Operating Transfers and Grants</u>										
National Government:		31,459	31,725	39,276	47,041	46,192	46,192	54,714	67,693	91,757
Local Government Equitable Share		24,577	29,975	37,232	42,892	42,892	42,892	51,174	64,959	88,990
Finance Management		1,000	1,000	1,254	1,500	1,500	1,500	1,650	1,800	1,800
Municipal Systems Improvement		735	750	790	800	800	800	890	934	967
EPWP Incentive		-	-	-	1,000	1,000	1,000	1,000	-	-
Other transfers/grants [MIG Operational]		5,148	-		849	-		-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		23,180	19,389	6,698	8,952	-	-	-	-	-
[operation and maintainece)		23,180	19,389	6,698	8,952	-	-	-	-	-

Other grant providers:		310	-	444	38	-	-	96	-	-
LED		310	-	444	-					
LGSETA					38	-	-	96	-	-
Total Operating Transfers and Grants	5	54,949	51,114	46,418	56,031	46,192	46,192	54,810	67,693	91,757
<u>Capital Transfers and Grants</u>										
National Government:		10,046	11,056	13,910	16,128	16,977	16,977	23,783	24,075	25,781
Municipal Infrastructure Grant (MIG)		10,046	11,056	13,910	16,128	16,977	16,977	20,783	24,075	25,781
Other capital transfers/grants [insert desc]								3,000		
Provincial Government:		-	-	-	-	1,800	-	-	-	-
Other capital transfers/grants [DME]					-	1,800				
District Municipality:		-	2,000	-	-	-	-	-	-	-
[operation and maintaince)		-	2,000		-					
Other grant providers:		-	-	-	-	-	-	-	-	-
LED										
Total Capital Transfers and Grants	5	10,046	13,056	13,910	16,128	18,777	16,977	23,783	24,075	25,781
TOTAL RECEIPTS OF TRANSFERS & GRANTS		64,995	64,170	60,328	72,159	64,969	63,169	78,593	91,768	117,538

5.6 Expenditure on grant allocations and grant programmes

LIM342 Mutale - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
EXPENDITURE:	1									
-										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		25,981	31,725	39,276	47,041	46,192	-	54,714	67,693	91,757
Local Government Equitable Share		24,577	29,975	37,232	42,892	42,892		51,174	64,959	88,990
Finance Management		1,000	1,000	1,254	1,500	1,500		1,650	1,800	1,800
Municipal Systems Improvement		405	750	790	800	800		890	934	967
EPWP Incentive		-	-	-	1,000	1,000		1,000	-	-
Other transfers/grants [MIG Operational]		-	-		849	-		-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		23,180	19,389	4,726	8,952	-	-	-	-	-
<i>[operation and maintaince)</i>		23,180	19,389	4,726	8,952	-		-	-	-
Other grant providers:		-	410	444	38	-	-	96	-	-
LED			410	444						

<i>LGSETA</i>					38	-	-	96	-	-
Total operating expenditure of Transfers and Grants:		49,161	51,524	44,446	56,031	46,192	-	54,810	67,693	91,757
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		10,046	11,056	13,910	16,128	16,977	-	23,783	24,075	25,781
Municipal Infrastructure Grant (MIG)		10,046	11,056	13,910	16,128	16,977		20,783	24,075	25,781
Other capital transfers/grants [insert desc]								3,000		
Provincial Government:		-	-	-	-	1,800	-	-	-	-
Other capital transfers/grants [DME]					-	1,800				
District Municipality:		-	2,000	-	-	-	-	-	-	-
<i>[operation and maintaince)</i>			2,000							
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>LED</i>										
Total capital expenditure of Transfers and Grants		10,046	13,056	13,910	16,128	18,777	-	23,783	24,075	25,781
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		59,207	64,580	58,356	72,159	64,969	-	78,593	91,768	117,538

LIM342 Mutale - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

[illegible]

[illegible]

5.7 Councilor and board member allowances and employee benefits

LIM342 Mutale - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
-	1	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		5,198	3,189		4,149	4,012	4,012	4,246	4,488	4,735
Pension and UIF Contributions		479	563		697	694	694	694	734	774
Medical Aid Contributions			-		-	-	-			
Motor Vehicle Allowance		1,365	11,897		1,549	1,543	1,543	1,543	1,631	1,721
Cellphone Allowance		-	267		334	352	352	352	372	393
Housing Allowances		-	-		-	-	-			
Other benefits and allowances		38	56		152	134	134	50	53	56
Sub Total - Councillors		7,080	15,972	-	6,881	6,735	6,735	6,886	7,279	7,679
% increase	4		125.6%	(100.0%)	-	(2.1%)	-	2.2%	5.7%	5.5%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		133	1,473	1,767	1,759	1,065	1,065	1,758	1,872	1,994
Pension and UIF Contributions		298	324	419	393	238	238	393	419	446
Medical Aid Contributions		70	-	-	-	37	37	74	79	84
Overtime						-	-	-		
Performance Bonus		-	-		145	145	145	-		
Motor Vehicle Allowance	3	-	589	817	728	467	467	653	696	741
Cellphone Allowance	3	-	58	57	58	53	53	58	58	58
Housing Allowances	3	-	-		-	-	-	-		
Other benefits and allowances	3	-	181		35	21	21	35	38	40
Payments in lieu of leave						49	49	-	-	-
Long service awards						-	-	-	-	-

Post-retirement benefit obligations	6					-	-	-	-	-
Sub Total - Senior Managers of Municipality		501	2,625	3,060	3,118	2,075	2,075	2,972	3,161	3,363
% increase	4		424.3%	16.6%	1.9%	(33.4%)	-	43.2%	6.4%	6.4%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		24,039	25,827	15,558	18,807	18,807	18,807	21,102	22,474	23,934
Pension and UIF Contributions		5,367	3,932	3,594	3,596	3,695	3,695	4,257	4,533	4,828
Medical Aid Contributions		1,975	290	228	289	466	466	476	507	540
Overtime		439	701	452	382	382	382	382	407	434
Performance Bonus		258	-		855	800	800	500	533	567
Motor Vehicle Allowance	3	-	958	2,238	1,810	1,912	1,912	2,435	2,594	2,762
Cellphone Allowance	3	-	83	145	108	132	132	160	170	181
Housing Allowances	3	811	1,227	34	45	45	45	45	48	51
Other benefits and allowances	3	606	1,308		793	821	821	406	432	460
Payments in lieu of leave					200	26	26	75	80	85
Long service awards				227	300	300	300	200	213	227
Post-retirement benefit obligations	6					-	-			
Sub Total - Other Municipal Staff		33,495	34,326	22,476	27,186	27,387	27,387	30,038	31,990	34,070
% increase	4		2.5%	(34.5%)	21.0%	0.7%	-	9.7%	6.5%	6.5%
Total Parent Municipality		41,075	52,923	25,536	37,184	36,198	36,198	39,895	42,430	45,111
			28.8%	(51.7%)	45.6%	(2.7%)	-	10.2%	6.4%	6.3%

LIM342 Mutale - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Rand per annum								
<u>Councillors</u>	3							
Speaker	4		326,771	54,401	152,032			533,204
Chief Whip			306,348	51,001	136,272			493,621
Executive Mayor			480,546	68,002	175,792			724,340
Deputy Executive Mayor								-
Executive Committee			647,099	107,103	289,141			1,043,343
Total for all other councillors			2,485,502	413,790	1,192,309			4,091,601
Total Councillors	8	-	4,246,266	694,297	1,945,545			6,886,108
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			471,253	105,264	226,323			802,840
Chief Finance Officer			428,840	96,008	198,086			722,935
Manager: Technical & community			428,840	96,008	198,086			722,935
Corporate Manager			428,840	96,008	198,086			722,935
								-
								-
<i>List of each official with packages >= senior manager</i>								
			471,253	105,264	226,323			802,840
			428,840	96,008	198,086			722,935
			428,840	96,008	198,086			722,935
			428,840	96,008	198,086			722,935
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8	-	3,515,549	786,575	1,641,163	-		5,943,288

<i>Refuse</i> <i>Other</i> Clerks (Clerical and administrative) Service and sales workers Skilled agricultural and fishery workers Craft and related trades Plant and Machine Operators Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	155	125	30	153	123	39	162	132	4
% increase					(1.3%)	(1.6%)	30.0%	5.9%	7.3%	(89.7%)
Total municipal employees headcount	6,									
Finance personnel headcount	10									
Human Resources personnel headcount	8,									
	10									

5.8 Monthly targets for revenue, expenditure and cash flow

LIM342 Mutale - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue By Source	-															
Property rates		333	333	333	333	333	333	333	333	333	333	333	333	4,000	4,000	4,000
Service charges - refuse revenue		86	86	86	86	86	86	86	86	86	86	86	86	1,026	1,078	1,131
Service charges - other													-	-	-	-
Rental of facilities and equipment		10	10	10	10	10	10	10	10	10	10	10	10	119	125	131

Interest earned - external investments	28	28	28	28	28	28	28	28	28	28	28	28	330	320	320
Interest earned - outstanding debtors	101	101	101	101	101	101	101	101	101	101	101	101	1,217	1,000	1,000
Dividends received												-	-	-	-
Fines	24	24	24	24	24	24	24	24	24	24	24	24	290	305	320
Licences and permits	297	297	297	297	297	297	297	297	297	297	297	297	3,565	3,747	3,930
Agency services												-	-	-	-
Transfers recognised - operational	19,598	496	-	200	17,058	-	200	200	17,058	-	-	-	54,810	67,693	91,757
Other revenue	283	283	283	283	283	283	283	283	283	283	283	283	3,398	2,250	2,306
Gains on disposal of PPE												-	-	-	-
Total Revenue (excluding capital transfers and contributions)	20,760	1,658	1,162	1,362	18,220	1,162	1,362	1,362	18,220	1,162	1,162	1,162	68,755	80,518	104,896
Expenditure By Type															
Employee related costs	3,175	2,751	2,751	2,751	2,751	2,751	2,751	2,751	2,751	2,751	2,751	2,326	33,009	35,155	37,440
Remuneration of councillors	545	545	545	545	545	545	545	774	573	573	573	579	6,886	7,279	7,679
Debt impairment	167	167	167	167	167	167	167	167	167	167	167	167	2,000	4,000	4,000
Depreciation & asset impairment	81	81	81	81	81	81	81	81	81	81	81	81	975	1,325	1,390
Finance charges	35	35	35	35	35	35	35	35	35	35	35	35	422	444	465
Bulk purchases												-	-	-	-
Other materials												-	-	-	-
Contracted services	117	117	117	117	117	117	117	117	117	117	117	117	1,400	1,471	1,543
Transfers and grants												-	-	-	-
Other expenditure	1,619	1,619	2,070	1,619	1,619	2,070	1,619	1,619	1,619	1,619	1,619	715	19,423	22,415	23,375
Loss on disposal of PPE												-	-	-	-
Total Expenditure	5,738	5,314	5,765	5,314	5,314	5,765	5,314	5,543	5,342	5,342	5,342	4,020	64,115	72,088	75,892

Surplus/(Deficit)		15,022	(3,656)	(4,603)	(3,952)	12,906	(4,603)	(3,952)	(4,181)	12,878	(4,180)	(4,180)	(2,858)	4,640	8,429	29,004
Transfers recognised - capital		3,346			4,346		4,399	5,346		3,346	-		-	23,783	24,075	25,781
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		18,368	(3,656)	(4,603)	394	12,906	(205)	1,394	(4,181)	16,224	(4,180)	(4,180)	(2,858)	28,423	32,504	54,785
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	18,368	(3,656)	(4,603)	394	12,906	(205)	1,394	(4,181)	16,224	(4,180)	(4,180)	(2,858)	28,423	32,504	54,785

LIM342 Mutale - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	Oct	Nov	DeC	January	Feb	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	-															
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal manager's office		11	11	11	11	11	11	11	11	11	11	11	11	130	136	143
Vote 3 - Budget and treasury office		20,068	470	470	470	17,528	470	470	470	17,528	470	470	470	59,353	73,110	97,179
Vote 4 - Infrastructure Development		3,453	327	327	4,453	327	4,505	5,453	327	3,673	327	327	1,209	27,706	26,281	28,046

Vote 5 - Corporate Services		446	446	446	446	446	446	446	446	446	446	446	446	5,350	5,065	5,309
Total Revenue by Vote		23,977	1,253	1,253	5,379	18,311	5,432	6,379	1,253	21,658	1,253	1,253	2,135	92,538	104,593	130,677
<u>Expenditure by Vote to be appropriated</u>	-															
Vote 1 - Executive and council		651	795	795	795	795	795	795	1,024	823	573	573	893	9,305	9,821	10,346
Vote 2 - Municipal manager's office		552	552	552	552	552	552	552	552	552	552	552	552	6,620	7,023	7,446
Vote 3 - Budget and treasury office		1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	15,427	18,513	19,348
Vote 4 - Infrastructure Development		1,220	1,320	1,420	1,320	1,321	1,320	1,312	1,320	1,320	1,320	1,420	1,226	15,835	18,752	19,664
Vote 5 - Corporate Services		1,411	1,500	1,311	1,411	1,320	1,411	1,420	1,412	1,511	1,411	1,411	1,401	16,927	17,979	19,088
Total Expenditure by Vote		5,119	5,451	5,362	5,363	5,272	5,362	5,364	5,593	5,491	5,141	5,241	5,357	64,115	72,088	75,892
Surplus/(Deficit) before assoc.		18,858	(4,198)	(4,109)	17	13,039	69	1,015	(4,339)	16,167	(3,888)	(3,987)	(3,222)	28,423	32,504	54,785
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	18,858	(4,198)	(4,109)	17	13,039	69	1,015	(4,339)	16,167	(3,888)	(3,987)	(3,222)	28,423	32,504	54,785

LIM342 Mutale - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Budget Year 2013/14		
		July	August	Sept.	October	Nov	Dec	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue - Standard	-															
<i>Governance and administration</i>		20,171	573	572	573	17,632	575	573	574	17,633	573	574	567	60,592	73,855	97,955
Executive and council													-	-	-	-
Budget and treasury office		20,068	470	470	470	17,528	470	470	470	17,528	470	470	470	59,353	73,110	97,179
Corporate services		104	103	102	103	104	105	103	104	105	103	104	97	1,239	745	777
<i>Community and public safety</i>		45	45	47	45	45	47	46	46	45	45	47	43	3,546	573	601
Community and social services		21	21	22	20	21	22	21	22	21	21	22	18	255	268	282
Sport and recreation													-	3,000	-	-
Public safety		24	24	24	24	24	24	24	24	24	24	24	24	290	305	320
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		3,715	590	590	4,715	590	4,768	5,715	590	4,040	590	590	753	27,245	28,950	30,846
Planning and development		158	158	158	158	158	158	158	158	158	158	158	158	1,897	1,128	1,134
Road transport		3,557	432	432	4,557	432	4,610	5,557	432	3,882	432	432	595	25,348	27,822	29,711
Environmental protection													-	-	-	-
<i>Trading services</i>		86	86	86	86	86	86	86	86	86	86	86	86	1,026	1,078	1,131
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-

Waste management	86	86	86	86	86	86	86	86	86	86	86	86	1,026	1,078	1,131
<i>Other</i>	11	11	11	11	11	11	11	11	11	11	11	11	130	136	143
Total Revenue - Standard	24,028	1,304	1,305	5,429	18,364	5,485	6,430	1,307	21,815	1,305	1,307	1,459	92,538	104,593	130,677
		1,483	1,485	5,608	18,543	5,666	6,610	1,487	21,995	1,484	1,487				
<u>Expenditure - Standard</u>	-														
<i>Governance and administration</i>	3,373	3,505	3,507	3,492	3,506	3,505	3,504	3,731	3,540	3,284	3,282	3,602	41,830	46,481	48,946
Executive and council	1,203	1,346	1,346	1,346	1,346	1,346	1,346	1,576	1,375	1,125	1,125	1,444	15,925	16,844	17,792
Budget and treasury office	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	15,427	18,513	19,348
Corporate services	884	873	875	860	874	873	872	870	879	873	871	872	10,477	11,124	11,807
<i>Community and public safety</i>	125	125	125	125	125	125	125	125	125	125	125	125	1,500	1,582	1,667
Community and social services												-	-	-	-
Sport and recreation	37	37	37	37	37	37	37	37	37	37	37	37	439	467	497
Public safety	88	88	88	88	88	88	88	88	88	88	88	89	1,061	1,115	1,170
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	1,376	16,510	19,587	20,672
Planning and development	197	197	197	197	197	197	197	197	197	197	197	197	2,368	3,642	3,798
Road transport	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	14,142	15,945	16,874
Environmental protection												-	-	-	-
<i>Trading services</i>	356	356	356	356	356	356	356	356	356	356	356	356	4,275	4,438	4,607
Electricity	162	162	162	162	162	162	162	162	162	162	162	162	1,939	1,715	1,793
Water												-	-	-	-
Waste water management												-	-	-	-

Waste management		195	195	195	195	195	195	195	195	195	195	195	195	2,335	2,722	2,815
<i>Other</i>													-	-	-	-
Total Expenditure - Standard		5,230	5,362	5,364	5,349	5,363	5,362	5,361	5,588	5,397	5,141	5,139	5,460	64,115	72,088	75,892
Surplus/(Deficit) before assoc.		18,799	(4,058)	(4,059)	80	13,001	123	1,069	(4,282)	16,419	(3,836)	(3,832)	(4,001)	28,423	32,504	54,785
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	18,799	(4,058)	(4,059)	80	13,001	123	1,069	(4,282)	16,419	(3,836)	(3,832)	(4,001)	28,423	32,504	54,785

LIM342 Mutale - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Multi-year expenditure to be appropriated</u>	1															
Vote 1 - Executive and council													-	-	-	-
Vote 2 - Municipal manager's office													-	-	-	-
Vote 3 - Budget and treasury office													-	-	-	-
Vote 4 - Infrastructure Development		1,945	-	1,845	1,404	2,404	-	2,808	3,404	-	1,404	1,389	-	16,603	24,795	8,220
Vote 5 - Corporate Services													-	-	-	-
Capital multi-year expenditure sub-total	2	1,945	-	1,845	1,404	2,404	-	2,808	3,404	-	1,404	1,389	-	16,603	24,795	8,220

<u>Single-year expenditure to be appropriated</u>																
Vote 1 - Executive and council													-	-	-	-
Vote 2 - Municipal manager's office		5	-					-				-	5	-	-	-
Vote 3 - Budget and treasury office		140		75			26	109				-	350	200		100
Vote 4 - Infrastructure Development		2,507	800		1,407	200		1,607		1,000		-	7,520	6,100		33,981
Vote 5 - Corporate Services	450	145	210	50	-	10				80		-	3,945	1,305		695
Vote 15 - [NAME OF VOTE 15]												-	-	-		-
Capital single-year expenditure sub-total	2	450	2,797	1,010	125	1,407	210	26	1,715	-	1,080	-	-	11,820	7,605	34,776
Total Capital Expenditure	2	2,395	2,797	2,855	1,529	3,811	210	2,834	5,119	-	2,484	1,389	-	28,423	32,400	42,996

LIM342 Mutale - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Capital Expenditure - Standard</u>	1															
<i>Governance and administration</i>		450	245	-	125	-	10	26	109	-	80	-	-	1,045	950	250
Executive and council			5										-	5	-	-
Budget and treasury office			140		75			26	109				-	350	200	100
Corporate services	450	100			50		10				80		-	690	750	150
<i>Community and public safety</i>		-	1,270	210	-	1,225	-	-	1,225	-	-	1,225	-	8,155	555	545
Community and social services			45	210									-	255	555	545
Sport and recreation			1,225			1,225			1,225			1,225	-	7,900	-	-
Public safety													-	-	-	-
Housing													-	-	-	-

Health													-	-	-	-
<i>Economic and environmental services</i>		1,765	400	1,804	1,665	1,765	-	1,565	1,965	1,765	1,843	-	1,747	16,283	24,575	26,281
Planning and development			400										-	400	-	-
Road transport		1,765		1,804	1,665	1,765	-	1,565	1,965	1,765	1,843		1,747	15,883	24,575	26,281
Environmental protection													-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	2,000	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management													-	-	2,000	-
<i>Other</i>			990			980			970				-	2,940	4,320	15,920
Total Capital Expenditure - Standard	2	2,215	2,905	2,014	1,789	3,970	10	1,591	4,269	1,765	1,923	1,225	1,747	28,423	32,400	42,996

LIM342 Mutale - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Cash Receipts By Source</u>															
Property rates	200	200	200	200	200	200	200	200	200	200	200	200	2,400	2,400	2,400
Service charges - refuse revenue	77	77	77	77	77	77	77	77	77	77	77	77	923	970	1,018
Service charges - other												-			

[illegible]

Employee related costs	2,770	2,725	2,751	2,798	2,681	2,791	2,751	2,798	2,751	2,761	2,761	2,672	33,009	35,155	37,440
Remuneration of councillors	574	573	574	544	579	576	573	576	574	574	575	596	6,886	7,279	7,679
Finance charges												422	422	444	465
Bulk purchases - Electricity												-			
Bulk purchases - Water & Sewer												-			
Other materials												-			
Contracted services	117	117	117	117	117	117	117	117	117	117	117	117	1,400	1,471	1,543
Transfers and grants - other municipalities												-			
Transfers and grants - other												-			
Other expenditure	976	976	976	976	976	976	976	976	976	976	976	2,330	13,063	15,198	15,814
Cash Payments by Type	4,436	4,390	4,417	4,435	4,352	4,459	4,416	4,466	4,417	4,427	4,428	6,137	54,780	59,546	62,941
Other Cash Flows/Payments by Type															
Capital assets	60	60	60	60	60	60	60	60	60	60	60	24,763	28,423	31,920	42,516
Repayment of borrowing												758	758	758	758
Other Cash Flows/Payments												-			
Total Cash Payments by Type	4,496	4,450	4,477	4,495	4,412	4,519	4,476	4,526	4,477	4,487	4,488	31,658	83,961	92,224	106,215
NET INCREASE/(DECREASE) IN CASH HELD	15,865	(3,510)	(523)	792	9,542	(3,579)	5,721	1,418	6,477	3,582	(3,547)	(22,656)	9,583	13,752	26,179
Cash/cash equivalents at the month/year begin:	75	15,940	12,431	11,908	12,700	22,242	18,663	24,384	25,802	32,279	35,861	32,314	75	9,658	23,410
Cash/cash equivalents at the month/year end:	15,940	12,431	11,908	12,700	22,242	18,663	24,384	25,802	32,279	35,861	32,314	9,658	9,658	23,410	49,589

5.9 Annual budgets and service delivery and budget implementation plans-internal departments

5.10 Contracts having future budgetary implications

In terms of Mutale municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

LIM342 Mutale - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
<u>Capital expenditure</u>	1							
Vote 1 - Executive and council		-	-	-				
Vote 2 - Municipal manager's office		5	-	-				
Vote 3 - Budget and treasury office		350	200	100				
Vote 4 - Infrastructure Development		24,123	30,895	42,201				
Vote 5 - Corporate Services		3,945	1,305	695				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		28,423	32,400	42,996	-	-	-	-
<u>Future operational costs by vote</u>	2							

Vote 1 - Executive and council								
Vote 2 - Municipal manager's office								
Vote 3 - Budget and treasury office								
Vote 4 - Infrastructure Development								
Vote 5 - Corporate Services								
Vote 6 - [NAME OF VOTE 6]								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - [NAME OF VOTE 8]								
Vote 9 - [NAME OF VOTE 9]								
Vote 10 - [NAME OF VOTE 10]								
Vote 11 - [NAME OF VOTE 11]								
Vote 12 - [NAME OF VOTE 12]								
Vote 13 - [NAME OF VOTE 13]								
Vote 14 - [NAME OF VOTE 14]								
Vote 15 - [NAME OF VOTE 15]								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
<u>Future revenue by source</u>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		28,423	32,400	42,996	-	-	-	-

5.11 Capital expenditure details

Waste Management										
Transportation	2									
Gas										
Other	3									
Community		-	-	-	-	195	195	3,000	-	-
Parks & gardens								3,000	-	-
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing						195	195			
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	181	-	1,500	988	988	3,720	6,105	15,795
General vehicles			150		580	737	737	210	500	500
Specialised vehicles	10	-	-	-	-	-	-	-	2,000	-
Plant & equipment					720	120	120	2,430	1,620	15,010

Computers - hardware/equipment								350	200	100
Furniture and other office equipment		31		200		107	107	630	535	135
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings								100	1,250	50
Other Land										
Surplus Assets - (Investment or Inventory)										
Other						24	24			
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Capital Expenditure on new assets	1	-	21,132	-	1,500	1,183	1,183	6,720	11,680	41,576

LIM342 Mutale - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	16,906	-	16,128	16,728	16,728	20,783	19,000	500

[illegible]

		-	31			-	-			
Abattoirs						-	-			
Markets						-	-			
Civic Land and Buildings						-	-			
Other Buildings				600	96	96		200	1,000	200
Other Land						-	-			
Surplus Assets - (Investment or Inventory)						-	-			
Other						-	-			
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Capital Expenditure on renewal of existing assets	1	-	17,087	-	17,043	17,139	17,139	21,703	20,720	1,420

<u>Specialised vehicles</u>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

<i>Renewal of Existing Assets as % of total capex</i>		0.0%	44.7%	0.0%	91.9%	93.5%	93.5%	76.4%	64.0%	3.3%
--	--	------	-------	------	-------	-------	-------	-------	-------	------

<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	943.1%	0.0%	526.1%	525.3%	525.3%	2226.2%	1564.2%	102.2%
--	--	------	--------	------	--------	--------	--------	---------	---------	--------

LIM342 Mutale - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		8,681	5,733	-	3,403	3,403	3,403	3,720	4,581	4,806
Infrastructure - Road transport		8,681	5,713	-	3,403	3,403	3,403	3,500	4,350	4,563
<i>Roads, Pavements & Bridges</i>		8,681	5,713		3,403	3,403	3,403	3,500	4,350	4,563
<i>Storm water</i>						-	-			
Infrastructure - Electricity	-		20	-	-	-	-	-	-	-
<i>Generation</i>						-	-			
<i>Transmission & Reticulation</i>	-		20			-	-			
<i>Street Lighting</i>						-	-			
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>						-	-			
<i>Water purification</i>						-	-			
<i>Reticulation</i>						-	-			
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>						-	-			
<i>Sewerage purification</i>						-	-			
Infrastructure - Other	-	-	-	-	-	-	-	220	231	243
<i>Waste Management</i>								220	231	243

Other assets		1,981	1,391	-	3,610	2,961	2,961	2,640	2,636	2,755
General vehicles	10	501	1,076		1,784	1,737	1,737	1,097	1,153	1,209
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		750	100		316	850	850	750	976	1,023
Computers - hardware/equipment						54	54	57	60	63
Furniture and other office equipment		130	65		407	120	120	235	248	260
Abattoirs						-	-			
Markets						-	-			
Civic Land and Buildings						-	-			
Other Buildings		600	150		1,103	200	200	250	100	100
Other Land						-	-			
Surplus Assets - (Investment or Inventory)						-	-			
Other						-	-	250	100	100
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	10,662	17,786	-	7,013	6,364	6,364	6,360	7,217	7,561

<u>Specialised vehicles</u>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<i>R&M as a % of PPE</i>		17.4%	57.3%	0.0%	6.3%	5.8%	5.8%	6.0%	5.2%	4.2%
<i>R&M as % Operating Expenditure</i>		23.8%	34.1%	0.0%	11.0%	11.0%	16.2%	9.9%	10.0%	10.0%

LIM342 Mutale - Supporting Table SA34d Depreciation by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Depreciation by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		103	321	-	624	913	913	118	424	445
Infrastructure - Road transport		-	203	-	271	450	450	-	300	315
<i>Roads, Pavements & Bridges</i>		-	203		271	450	450	-	300	315
<i>Storm water</i>						-	-			
Infrastructure - Electricity		103	117	-	291	291	291	-	-	-
<i>Generation</i>		103	117			-	-			
<i>Transmission & Reticulation</i>					291	291	291	-	-	-
<i>Street Lighting</i>						-	-			
Infrastructure - Water		-	-	-	60	60	60	-	-	-
<i>Dams & Reservoirs</i>		-	-			-	-			
<i>Water purification</i>		-	-			-	-			
<i>Reticulation</i>					60	60	60	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>						-	-			
<i>Sewerage purification</i>						-	-			

Infrastructure - Other		-	-	-	1	112	112	118	124	130
Waste Management					1	112	112	118	124	130
Transportation	2					-	-			
Gas						-	-			
Other	3	-	-			-	-			
Community		22	59	-	68	68	68	72	75	79
Parks & gardens						-	-			
Sportsfields & stadia		22	59		39	39	39	42	44	46
Swimming pools						-	-			
Community halls						-	-			
Libraries						-	-			
Recreational facilities						-	-			
Fire, safety & emergency					3	3	3	4	4	4
Security and policing					25	25	25	27	28	29
Buses	7					-	-			
Clinics						-	-			
Museums & Art Galleries						-	-			
Cemeteries						-	-			
Social rental housing	8					-	-			
Other						-	-			
Heritage assets		262	346	-	256	211	211	223	234	245
Buildings		262	346		256	211	211	223	234	245
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		447	440	-	403	533	533	563	591	620
General vehicles		145	147		160	157	157	165	174	182
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		51	54		48	77	77	81	85	89
Computers - hardware/equipment	10	197	185		88	143	143	151	159	167

Furniture and other office equipment		54	54		107	153	153	161	169	178
Abattoirs						-	-			
Markets						-	-			
Civic Land and Buildings						-	-			
Other Buildings						-	-			
Other Land						-	-			
Surplus Assets - (Investment or Inventory)						-	-			
Other						4	4	4	4	4
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Depreciation	1	834	1,165	-	1,351	1,725	1,725	975	1,325	1,390

5.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipal's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed seven interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained 7 interns through this programme and a majority of them were appointed either in the municipality or other Institutions.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detailed SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in May 2013 directly aligned and informed by the 2013/14 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

All the employees in the Budget and Treasury Office are busy with the training. (They are finalizing the program.

8. Policies

Amendments of the Municipal Property Rates Policy and SCM policy have been done.

5.13 Other supporting documents

LIM342 Mutale - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
REVENUE ITEMS:										
<u>Property rates</u>	6									
Total Property Rates		764	3,111	3,316	2,613	1,622	1,622	5,000	5,000	5,000
<i>less Revenue Foregone</i>					158	233	233	1,000	1,000	1,000
Net Property Rates		764	3,111	3,316	2,455	1,389	1,389	4,000	4,000	4,000
<u>Service charges - electricity revenue</u>	6									
Total Service charges - electricity revenue						1,622	1,622			
<i>less Revenue Foregone</i>						233	233			
Net Service charges - electricity revenue		-	-	-	-	1,389	1,389	-	-	-
<u>Service charges - water revenue</u>	6									
Total Service charges - water revenue										
<i>less Revenue Foregone</i>										
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-
<u>Service charges - sanitation revenue</u>	6									
Total Service charges - sanitation revenue										
<i>less Revenue Foregone</i>										
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
<u>Service charges - refuse revenue</u>	6									
Total refuse removal revenue		193	196	225	721	300	300	1,080	1,135	1,191
Total landfill revenue						-	-			

<i>less Revenue Foregone</i>					8	4	4	54	57	60
Net Service charges - refuse revenue		193	196	225	713	296	296	1,026	1,078	1,131
<u>Other Revenue by source</u>										
<i>Licenses & permits</i>		647	2,046	1,750	15			–	–	–
<i>Buildings Approval</i>					75			69	72	76
<i>Penalties</i>					56			106	62	65
<i>Refuse bag sales</i>					2					
<i>Admin charges</i>					158			182	191	201
<i>AdvertisinG</i>					4			250	100	100
<i>Tourism fees</i>					123			130	136	143
<i>Profit on sale of asset</i>					–			26	28	29
<i>Supplier's registration</i>					54			57	60	63
<i>EPWP</i>				290	–			–	–	–
<i>Sales of sites</i>					1,205			1,728	1,000	1,000
<i>LGSETA</i>	3			284	–			850	600	629
Total 'Other' Revenue	1	647	2,046	2,324	1,693	–	–	3,398	2,250	2,306
EXPENDITURE ITEMS:										
<u>Employee related costs</u>										
<i>Basic Salaries and Wages</i>	2	14,162	15,174	15,558	24,203	19,872	19,872	22,860	24,346	25,928
<i>Pension and UIF Contributions</i>		3,862	3,508	3,594	3,989	3,932	3,932	4,650	4,952	5,274
<i>Medical Aid Contributions</i>				228	289	504	504	550	586	624
<i>Overtime</i>		347	333	452	382	382	382	382	407	434
<i>Performance Bonus</i>		1,428	1,046	1,206	1,000	800	800	500	533	567
<i>Motor Vehicle Allowance</i>		1,713	1,699	2,483	2,538	2,379	2,379	3,088	3,289	3,503
<i>Cellphone Allowance</i>				145	166	185	185	217	231	246
<i>Housing Allowances</i>		67	45	34	45	45	45	45	48	51

Contracted Services									
Other Expenditure	2,085	7,124	8,288				6,360	7,217	7,561
Total Repairs and Maintenance Expenditure	9	2,085	7,124	8,288	-	-	-	6,360	7,217

LIM342 Mutale - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref 1	Vote 1 - Executive and council	Vote 2 - Municipal manager's office	Vote 3 - Budget and treasury office	Vote 4 - Infrastructure Development	Vote 5 - Corporate Services	Total
R thousand							
<u>Revenue By Source</u>							
Property rates				4,000			4,000
Property rates - penalties & collection charges							-
Service charges - refuse revenue					1,026		1,026
Service charges - other							-
Rental of facilities and equipment						119	119
Interest earned - external investments				330			330
Interest earned - outstanding debtors				1,217			1,217
Dividends received							-
Fines						290	290
Licences and permits						3,565	3,565
Agency services							-
Other revenue			130	92	1,897	1,279	3,398
Transfers recognised - operational				53,714	1,000	96	1,026
Gains on disposal of PPE				-			-
Total Revenue (excluding capital transfers and contributions)		-	130	59,353	3,923	5,350	68,755
<u>Expenditure By Type</u>							

ASSETS										
<u>Call investment deposits</u>										
Call deposits < 90 days		-	-	-	-		-	-	-	
Other current investments > 90 days		-	-	-	-		-	-	-	
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>										
Consumer debtors		-	6,887	2,145	6,086	6,086	6,086	7,001	6,000	5,000
<u>Less: Provision for debt impairment</u>		2,389	559	-	-	2,000	2,000			
Total Consumer debtors	2	2,389	7,446	2,145	6,086	8,086	8,086	7,001	6,000	5,000
<u>Debt impairment provision</u>										
Balance at the beginning of the year		-	5,664		5,713					
Contributions to the provision		-	-		861					
Bad debts written off		-	(1,091)		116	2,000	2,000	2,000	4,000	4,000
Balance at end of year		-	4,573	-	6,690	2,000	2,000	2,000	4,000	4,000
<u>Property, plant and equipment (PPE)</u>										
PPE at cost/valuation (excl. finance leases)		61,271	47,704	89,686	115,619	115,033	115,033	105,850	138,250	181,246
Leases recognised as PPE	3	-	464	-	464	464	464	570	627	689
<u>Less: Accumulated depreciation</u>		-	17,130	9,259	4,425	5,799	5,799	-	-	-
Total Property, plant and equipment (PPE)	2	61,271	31,038	80,427	111,659	109,699	109,699	106,420	138,877	181,935
LIABILITIES										
<u>Current liabilities - Borrowing</u>										
Short term loans (other than bank overdraft)		-	-	-	-					
Current portion of long-term liabilities		257	243	274	652	652	652	1,153	1,153	1,153
Total Current liabilities - Borrowing		257	243	274	652	652	652	1,153	1,153	1,153
<u>Trade and other payables</u>										
Trade and other creditors		24,654	15,923	20,769	2,500	2,500	2,500	7,001	6,000	5,000
Unspent conditional transfers		7,645	22,201	12,835	6,000	6,000	6,000	-	-	-
VAT		-	4,928	-	-	-	-			
Total Trade and other payables	2	32,300	43,052	33,604	8,500	8,500	8,500	7,001	6,000	5,000
<u>Non current liabilities - Borrowing</u>										
Borrowing	4	1,672	1,432	1,158	665	120	120	2,652	2,000	1,899
Finance leases (including PPP asset element)		443	177	69	312	312	312	570	627	689

Total Non current liabilities - Borrowing		2,115	1,609	1,227	977	432	432	3,222	2,627	2,588
Provisions - non-current										
Retirement benefits		-				-	-	-	-	-
List other major provision items										
Refuse landfill site rehabilitation		-			1,000	1,200	1,200	1,000	1,200	1,200
Other					-	-	-	-	-	-
Total Provisions - non-current		-	-	-	1,000	1,200	1,200	1,000	1,200	1,200
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance		25,356	-		54,132		54,132	(5,015)	3,400	3,551
GRAP adjustments		-	-							
Restated balance		25,356	-	-	54,132	-	54,132	(5,015)	3,400	3,551
Surplus/(Deficit)		211	(1,975)	27,123	18,543	14,917	33,170	28,423	32,504	54,785
Appropriations to Reserves		-	-							
Transfers from Reserves		-	-							
Depreciation offsets		-	-							
Other adjustments		-	-				14,137	-	-	-
Accumulated Surplus/(Deficit)	1	25,568	(1,975)	27,123	72,676	14,917	101,439	23,408	35,904	58,335
Reserves	-									
Housing Development Fund										
Capital replacement										
Self-insurance										
Other reserves										
Revaluation										
Total Reserves	2	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	25,568	(1,975)	27,123	72,676	14,917	101,439	23,408	35,904	58,335

LIM342 Mutale - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics		Census count/estimate										
Population		Census count/estimate			17	19	21	23	25	27	30	33
Females aged 5 - 14		Census count/estimate			17	19	21	23	25	27	30	33
Males aged 5 - 14		Census count/estimate			14	16	18	19	21	23	26	28
Females aged 15 - 34		Census count/estimate			12	13	14	16	17	19	21	23
Males aged 15 - 34		Census count/estimate			9	10	11	12	13	14	16	18
Unemployment		Census count/estimate			9	9	10	10	11	11	12	13
		-										
Monthly household income (no. of households)	1, 12	-										
No income												
R1 - R1 600		Census 2007										
R1 601 - R3 200		Census 2007			5,265	5,792	6,371	7,008	7,708	8,479	9,327	10,260
R3 201 - R6 400		Census 2007			1,757	1,933	2,126	2,339	2,572	2,830	3,113	3,424
R6 401 - R12 800		Census 2007			1,766	1,943	2,137	2,351	2,586	2,844	3,129	3,441
R12 801 - R25 600		Census 2007			792	871	958	1,054	1,160	1,276	1,403	1,543

[illegible]

[illegible]

Property tax/service charges								40.0%	50.0%	60.0%	60.0%	60.0%
Rental of facilities & equipment					100.0%	80.0%	80.0%	70.0%	90.0%	90.0%	90.0%	90.0%
Interest - external investments									100.0%	100.0%	100.0%	100.0%
Interest - debtors									50.0%	50.0%	50.0%	50.0%
Revenue from agency services									100.0%	100.0%	100.0%	100.0%

5.14 Municipal manager's quality certification

I **Razwiedani Shumani Samuel** , acting municipal manager of Mutale municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Marutha Melvin

Chief Financial Officer of Mutale local Municipality

Signature _____

Date _____

Print Name: Razwiedani Shumani Samuel

Acting Municipal Manager of Mutale local Municipality (LIM342)

Signature _____

Date _____
